



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1473

DATE: January 14, 2015

TO: Iowa Medicaid Advanced Registered Nurse Practitioners (ARNP),
Physicians and Certified Registered Nurse Anesthetists (CRNAs)

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Anesthesia Reimbursement Updates

EFFECTIVE: December 1, 2014

*****This letter replaces Informational Letter No. 1444, issued October 31, 2014*****

Preliminary Note

This letter further updates and clarifies the information contained in Informational Letter 1444 regarding Anesthesia Pricing Modifiers under Iowa Medicaid. The updates below bring Iowa Medicaid policy in line with use of anesthesia pricing modifiers under the Medicare program. This letter supersedes Informational Letter 1444.

Neuraxial Labor Epidural

In the past, Iowa Medicaid has instructed providers to bill code 01967 (Neuraxial labor analgesia/anesthesia for planned vaginal delivery) as a time based code with one unit equal to one minute. For dates of service on or after December 1, 2014, the IME will reimburse code 01967 at a fixed rate physician fee schedule amount of \$356.02. This code should be submitted with only one unit of service, per member, per day.

Update on Anesthesia Pricing Modifiers

Physician Billing:

- Use modifier AA when a physician personally provides the anesthesia service. Modifier AA will reimburse at 100 percent of the physician fee for the anesthesia service rendered.
- Use modifier AD when a CRNA is medically supervised by a physician, involving **more than** four concurrent anesthesia procedures. Consistent with Medicare pricing methodology, Modifier AD will reimburse at the Medicare equivalent of three (3) anesthesia base units (three Medicare base units are equivalent to a total of 45 minutes).
- Use modifier QY for medical direction (consistent with Medicare's definition of "medical direction") of a CRNA. Modifier QY will reimburse at 50 percent of the physician fee for the anesthesia service rendered.

- Use modifier QK when a CRNA is medically directed (consistent with Medicare's definition of "medical direction") for two, three or four concurrent anesthesia procedures. Modifier QK will reimburse at 50 percent of the physician fee for the anesthesia service rendered.

CRNA Billing:

- Use modifier QZ when a CRNA provides anesthesia with no medical direction from an anesthesiologist. No medical direction by an anesthesiologist will reimburse at 80 percent of the physician fee for the anesthesia service rendered.
- Use modifier QX when a CRNA provides anesthesia with medical direction from an anesthesiologist. Modifier QX will reimburse at 50 percent of the physician fee for the anesthesia service rendered.

Please note these changes are effective for dates of service on or after December 1, 2014. No retroactive adjustments will be made.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.